



William D. Ford Federal Direct Stafford Loan Program

Direct Loans are low-interest loans for students to help pay for the cost of the student's education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution. There are two types of Federal Direct Stafford Loans available to students:

- **Federal Subsidized Direct Loan:** Your eligibility is based on your financial need and your academic level (see charts on the back page). You don't have to make any payments until six months after you graduate or cease to be enrolled at least half time. The government pays the interest while you are in school and during your six-month grace period.
- **Federal Unsubsidized Direct Loan:** Your eligibility is not based on financial need. You may borrow the cost of education minus all other financial aid you receive, up to the amount allowed for your academic level (see charts on the back page). You have two choices for paying interest: you may pay it while you are enrolled full time, or it can accrue and become part of the principal that you will owe. You begin making payments six months after you graduate or cease to be enrolled at least half time.

Interest Rate and Origination Fee

As of July 1, 2013, the interest rate for the Federal Direct Subsidized Loan to undergraduate students will be 3.4% for loans originated between July 1, 2013, and June 30, 2014. The rate for the unsubsidized loan will be 6.8%. There is also an origination fee based on the amount of the total loan; this amount is deducted from your loan before you receive the funds. As of July 1, 2013 the origination fee will be 1.0%.

Loan Requirements

If you are a first-time Federal Direct Stafford Loan borrower, ***before you can receive any funds to your account you must complete the following two steps:***

1. Electronic Master Promissory Note (EMPN) and the Electronic Entrance Counseling at: <https://studentloans.gov>

NOTE: Please wait until after June 1, 2013 to complete this process for the 2013-2014 academic year!



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Loan Maximums

The maximum Federal Direct Stafford Loan amounts available vary according to academic level and dependency status. Please see the tables below for more information.

Dependent Undergraduate Students (whose parents were not denied a PLUS loan)

Academic Level	Combined Base Limit for Subsidized and Unsubsidized Loans	Additional Limit for Unsubsidized Loans	Total Limit for Unsubsidized Loans (minus subsidized amounts) a Dependent Undergraduate may Borrow
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior/Senior	\$5,500	\$2,000	\$7,500

Independent Undergraduate Students (and dependent students whose parents were denied a PLUS loan)

Academic Level	Combined Base Limit for Subsidized and Unsubsidized Loans	Additional Limit for Unsubsidized Loans	Total Limit for Unsubsidized Loans (minus subsidized amounts) an Independent Undergraduate may Borrow
Freshman	\$3,500	\$6,000	\$9,500
Sophomore	\$4,500	\$6,000	\$10,500
Junior/Senior	\$5,500	\$7,000	\$12,500